



Bryce Yokomizo  
Director

December 17, 2002

TO: Each Supervisor

FROM:  Bryce Yokomizo, Director

**SUBJECT: CalWORKs OVERPAYMENTS AND FOOD STAMP OVERISSUANCES**

This is to advise your Board of a problem that recently came to my attention related to CalWORKs overpayments and Food Stamp overissuances.

While researching a LEADER Trouble Ticket on September 10, 2002, it was discovered that there were no safeguards within the LEADER System to prevent the issuance of duplicate program benefits under an unusual condition. The condition was related to a requirement that participants receive ten-day advance notification prior to any change in their benefit amount. To ensure compliance with this requirement, the LEADER System is programmed to prevent automatic recalculation of benefits during the ten-day period.

Research found instances where eligibility staff, during the ten-day period, appropriately authorized a manually-calculated benefit amount by overriding the LEADER-authorized benefit amount. Since there were no safeguards within the LEADER System to prevent the issuance of duplicate program benefits, the LEADER System generated both the System-calculated benefit and the worker-calculated benefit, causing a CalWORKs grant overpayment and/or a Food Stamp overissuance.

After conducting a survey of the affected cases, we identified \$14,594 in CalWORKs overpayments, and \$29,362 in Food Stamp overissuances that have occurred since January 2000 as a result of this condition.

Although the manual override feature is part of the LEADER System design, a non-warranty LEADER System software modification was implemented by Unisys Corporation on September 19, 2002, which will prevent the future issuance of duplicate benefits. This modification was made without cost to the County. In addition, instructions are being issued to staff to reiterate policy in this area.

Each Supervisor  
December 17, 2002  
Page 2

Automated overpayment/overissuance recovery claims have been initiated on the LEADER System for affected cases. There was no indication of any fraudulent activity by eligibility staff.

BY:pcr

c: Executive Officer, Board of Supervisors  
Chief Administrative Officer  
County Counsel  
Chief Information Officer  
Auditor-Controller